

CITY COUNCIL

Housing, Economic Development and Strategies Committee

**Tuesday, September 4, 2012
5:00 pm
City Council Office**

The Housing, Economic Development and Strategies Committee's responsibilities includes Housing Planning strategies, Building Code/Inspection, Economic Development, Citywide Economic Development Programs, Small Businesses, Business Improvement Districts and Enterprise Zones.

Committee Members: Randy Corcoran (Chair), Marcia Goodman Hinnershitz (Vice-Chair) and Jeffrey Waltman

Although Council committee meetings are open to the public, public comment is not permitted at Council Committee meetings. However, citizens are encouraged to attend and observe the meetings. Comment from citizens or professionals during the meeting may be solicited on agenda topics via invitation by the Committee Chair.

All electronic recording devices must be at the entry door in all meeting rooms and offices, as per Bill No. 27-2012

- I. Property Maintenance – R. Natale**
 - 1. Review PM Monthly Report and QoL Monthly Report**
 - 2. Update on Rental Permit Process**
 - 3. Update Certificate of Transfer – start date July 1**
 - a. Payment of Back Fees**
 - 4. Rental Housing Fee Review**
 - 5. Outcomes of MDJ Rulings on Codes Cases**
 - Guilty, Not Guilty, Dismissed*
 - 6. Update on implementation of QoL Recommendations**

II. Update on Zoning Backlog and Start of Hearings

Number of letters mailed to properties that will be heard by the hearing master & City Council

III. CD – L. Agudo

1. Update on Microloan Program Loans (delinquent & current)

- Micro Loan Enterprise Loan, which has funding that was not authorized by Council – corrective legislation required

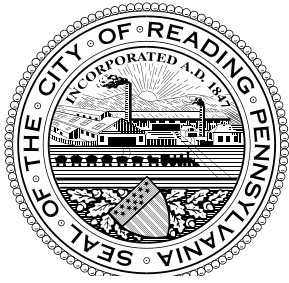
2. Update on Implementation of Housing Strategy

3. Update on Status of Economic Development Strategy

IV. Presentation on Congressional EDI to Riverplace – L. Olsen/L. Agudo

Follow Up Items

- Plumbing Code Amendment
- Report on disposition of Codes Cases at MDJ Hearings - ongoing
- Request receipt of monthly Codes Report - ongoing
- Review RFPs for Delinquent BPL and other fee/tax collection
- Resolution to fund Micro Loan Enterprise Program
- Housing & Economic Development Strategy update



CITY COUNCIL

Housing, Economic Development & Strategies Committee

Meeting Report Monday, August 6, 2012

Committee Members Attending: Chair, R. Corcoran

Others Attending: L. Kelleher, C. Younger, D. Wright, R. Natale

Mr. Corcoran, Chair, called the meeting to order at 5:05 pm. He stated that Mr. Waltman is ill and Ms. Goodman-Hinnershitz is on vacation. He noted that a quorum is not needed to conduct committee business, as no formal decisions are made.

CD Microloan

Mr. Wright stated that CD is currently crafting a resolution which will authorize the funding for the Microloan program, which is needed to resolve the repeat finding in the external audit. He stated that the program is going very well and that all but one company are current in making loan payments. He stated that the CD Office widely publicizes this program, evidenced by the number of inquiries about the program.

Housing and Economic Development Strategy

Mr. Wright requested that this topic be deferred to the September meeting which will allow Mr. Agudo to update the committee.

Property Maintenance Division (PMD) Update

- Housing Permit Process

Mr. Natale stated that the Housing Permit process is going well and is well coordinated within PMD and with Zoning. He stated that he is currently working to convert housing permit applications to electronic documents which will eliminate

the need for landlords to re-submit the entire application package annually. He questioned why this topic is always listed on the agendas. Ms. Kelleher stated that she keeps this topic on the agenda to provide Mr. Natale with opportunity to update the committee and bring any ordinance modification needs to their attention.

- **Rental Inspection Fee**

Mr. Natale stated that a number of meetings have been taking place with various landlords who are negatively impacted by this new fee structure. He explained that the fee structure covers the cost of 3 inspections per unit (initial inspection with two follow ups). He stated that the business analyst is currently exploring alternatives for properties that are regularly in compliance and do not require more than one inspection.

Ms. Kelleher reminded the group that the City did not regularly increase its program fees to keep pace with the increasing salaries, benefits and other administrative expenses. When the cost study was finally completed a large gap in the cost of the program and the fee was discovered; thus creating what some landlords believe is an unfair adjustment. Mr. Natale agreed and also noted that PMD is more effectively handling this process which also creates administrative expenses.

- **Certificate of Transfer Program**

Mr. Natale stated that the implementation of this program is going very well. He stated that the process begins with the property owner or his agent obtaining zoning information on the property listed for sale. He explained that the Recorder of Deeds transfers title change information to the City on a weekly basis, which starts the post-settlement inspection and a check to make sure all delinquencies are cleared on the property. He explained that the computer program internally checks for delinquencies.

Mr. Corcoran questioned the application of delinquencies to the new owner, as the new owner did not create the delinquency. Ms. Kelleher explained that the City delinquencies run with the property, not with the owner. She stated that when properties are purchased at Upset Sale, the new owner is required to pay the delinquent charges created by the previous owner. She also noted that when properties transfer through title companies, delinquencies are discovered and the charges are cleared at the settlement table. She noted the disparity created if the City forgives delinquencies for buyers who do not perform due diligence before purchasing properties, as those using a title company are required to clear the delinquencies to obtain clear title.

The group discussed the issue; however, further discussion will be required.

- **Outcomes of MDJ Hearings**

Mr. Natale stated that a report is being prepared.

- **QoL Implementation of Recommendations**

Mr. Natale distributed a handout covering the status of the recommendations presented to Council at the June work session in summary:

- Informational & Educational Campaign – started
- Establishment of 2nd Grace Period – not recommended after further review
- Collection of Delinquencies – in progress
- Providing Credit Card or ACH Payment – implementation expected in November
- 3 day Grace Period between QoL Tickets – started
- Post Online Photos of Violations – in progress

Mr. Natale noted the importance of the Market Rate Analysis evaluation which will provide PMD with the ability to more effectively focus enforcement efforts in specific areas.

Mr. Natale stated that he appreciates Council's support as PMD works to improve its programs and efficiencies.

Mr. Corcoran recessed the meeting to allow Mr. Natale to acquire a report on the Zoning Backlog at 6:30 pm. The meeting reconvened at 6:35 pm.

- **Zoning Backlog**

Mr. Natale distributed a sample letter which is being sent to properties within the backlog, advising them that their zoning permit was denied and informing them of their options. The letter notes the need for the property to have paid annual housing permit fees since December 2007.

Ms. Kelleher noted the importance of considering the requirement to have paid housing permit fees when considering forgiving housing permit delinquencies for properties that transfer to new owners. She noted that forgiving housing permit fees for properties with delinquencies when title changes would compromise the criteria for properties in the zoning backlog.

Mr. Natale stated that a property denied a zoning permit has 15 days to respond

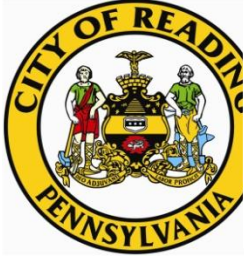
prior to enforcement which can include a \$1,000 a day fine for each illegal rental and continuing fines of up to \$300 per day per unit.

Mr. Natale stated that he does not know if any properties who received the letter have responded to date.

Mr. Younger inquired if Zoning does an inspection to confirm the number of units in a property. Mr. Natale expressed the belief that the inspections by the Zoning Enforcement Officer occurs prior to the hearing.

As no other business was brought to the table the meeting adjourned at approximately 6:45 pm.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk



**CITY OF READING, PA
OFFICE OF THE MANAGING DIRECTOR**

David B. Kersley, MBA
Business Analyst & Director of Continuous
Improvement

MEMORANDUM

To: Vaughn D. Spencer, Mayor
Carole Snyder, Managing Director
Lenin Agudo, Director of Community Development
Members of City Council

Date: Thursday, August 2, 2012

Re: Monthly Report: Quality of Life Violations

The City of Reading's Quality of Life enforcement system became effective on February 14, 2011. The following is a summary of QOL violations issued during, and for the year-to-date ending in, the month of June, 2012.

2012 Quality of Life Ordinance Enforcement Summary

	July	YTD	YTD Fees
Violations:			
QOL 01 Accumulation of Rubbish or Garbage	293	3,213	\$208,625
QOL 02 Animal Waste	11	306	\$12,435
QOL 03 Disposal of Rubbish or Garbage	81	1,102	\$36,860
QOL 04 High Weeds, Grass or Plants	840	3,022	\$207,525
QOL 05 Littering/Scattering Rubbish	5	21	\$675
QOL 06 Motor Vehicles	38	304	\$15,965
QOL 08 Operating/Vending without Permit	0	1	\$ 25
QOL 09 Outdoor Placement of Indoor Furniture	134	1,547	\$66,530
QOL 10 Illegal Dumping, Hauling	0	2	\$125
QOL 11 Littering via Private Advertising Materials	0	0	\$ -
QOL 12 Failure to Remove Ice/Snow	0	37	\$1,125
QOL 13 No Storage Containers for Waste	173	1,872	\$85,945
QOL 14 Storing/Discarding Appliances	2	2	\$60
QOL 15 Storing Hazardous Materials	0	6	\$325
QOL 16 Storing of Recyclables	6	153	\$5,260
QOL 18 Swimming Pools	5	17	\$705
QOL 21 Satellite Dishes in Historic District	0	34	\$950
QOL 22 Registered Trash Hauler Required	1	11	\$385

Total Violations Issued	1,304	11,689	\$645,760
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In the first seven months of the year, a total of 11,689 violation notices were issued and fines and fees of \$645,760 assessed. The greatest numbers of violations were written for accumulation of rubbish or garbage (3,213), high weeds and grass (3,022), storage containers for trash (1,872) and outdoor placement of indoor furniture (1,547); together, these four violation categories represent 83% of the total. Of 11,689 violations issued, 6,006 (51%) were at registered rental properties; in July, violations at rental properties equated to 55% of the total.

We also report monthly on the distribution of violations based on Council District.

Violations by Council District

	July	YTD
District 1	215	922
District 2	411	2,726
District 3	257	2,144
District 4	253	1,903
District 5	253	1,874
District 6	199	1,756

Appeals

Some 138 appeals were heard in July, compared to 207 appeals in the prior month. In July, 47 appeals were granted (34% of cases heard). In the first six months of the year, a total of 827 appeals were heard, with 347 granted (42% of cases heard). Across the first seven months of the year, appeals heard represent 7.1% of violations issued, and appeals granted equate to 3.0% of total violations. In July, the Property Maintenance Division successfully cleared the backlog of appeals, and the waiting time for hearing an appeal has been reduced to about a week.

Realized Revenue

Budgeted revenue for the program in 2012 is \$175,000. Actual revenue received through the end of June, net of refunds issued after successful appeals, was \$259,185, or 148% of the annual budget target; \$26,095 in payments were processed in July (compared to \$26,035 in June).